

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  MIDAMERICAN ENERGY COMPANY	DOCKET NOS. PGA-99-62 RFU-99-9 WRU-99-42-156
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**ORDER APPROVING RECONCILIATION AND REFUND PLAN  
AND GRANTING WAIVER**

(Issued November 1, 1999)

On October 1, 1999, MidAmerican Energy Company (MidAmerican) filed with the Utilities Board (Board) its annual reconciliation of gas costs. Pursuant to IOWA ADMIN. CODE 199-19.10(7) (1999), each natural gas utility is required to file on or before October 1 of each year a reconciliation of each customer class's actual net invoiced costs for purchased gas with actual purchased gas adjustment (PGA) revenue collected.

If the calculation results in an undercollection, the total uncollected dollars are divided by the anticipated sales volumes for the prospective ten-month period beginning November 1 and the resulting quotient becomes a part of the prospective ten-month PGA. If the calculation results in an overcollection of over 3 percent of the annual cost of purchased gas subject to recovery, the overcollection must be refunded by bill credit or check. If the overcollection is 3 percent or less of the annual cost of purchased gas subject to recovery, it may be refunded through an adjustment to the PGA for the prospective ten-month period.

At the same time it filed its annual reconciliation, MidAmerican filed a refund plan identified as Docket No. RFU-99-9. The filing described a refund MidAmerican received from Northern Natural Gas Company on September 1, 1999. The portion of the refund applicable to Iowa is \$1,696,943. If the refund is included in the reconciliation, it would reduce the amount of undercollection for the firm classes and slightly increase the overcollection for the interruptible classes. Because the refund was received one day after the reconciliation period, MidAmerican filed a petition for waiver, identified as Docket No. WRU-99-42-156, of the requirement in IOWA ADMIN. CODE 199-19.10(7) that the purchased gas adjustment reconciliation filing include costs from the 12-month period, which ends on August 31. Because MidAmerican proposed to include the refund in the prospective PGA, MidAmerican also requested a waiver of IOWA ADMIN. CODE 199-19.10(8) which requires refunds from gas suppliers which exceed \$5 per average retail customer be refunded by bill credit or check or if the refund does not exceed \$5, amounts may be retained until additional refunds or interest cause the amount to exceed \$5. Any amounts remaining would be returned in the next annual reconciliation.

The Board will allow MidAmerican to include the refund in the reconciliation calculation. The refund was received in time to be included in this reconciliation and relates to the time period of December 1998 through June 1999 which falls within the time frame of the reconciliation. Because it appears the refund amount does not exceed five dollars per average residential customer, MidAmerican is not required by IOWA ADMIN. CODE 199-19.10(8) to refund the amount by bill credit or check to

customers. Because the refund will be returned through this reconciliation, the rule stating it can be retained in an account until amounts exceed \$5 or returned at the time of the next reconciliation will be waived.

On October 27, 1999, MidAmerican filed additional supporting documentation. The Board has reviewed the filing and finds the information adequately supports the calculations in the filing. Therefore, the reconciliation will be approved.

**IT IS THEREFORE ORDERED:**

1. The annual reconciliation filed by MidAmerican Energy Company on October 1, 1999, identified as Docket No. PGA-99-62, is approved.
2. The refund plan, identified as Docket No. RFU-99-9, filed by MidAmerican on October 1, 1999, is approved.
3. The petition for waiver, identified as Docket No. WRU-99-42-156, filed by MidAmerican on September 30, 1999, is approved to the extent discussed in this order.

**UTILITIES BOARD**

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.      /s/ Diane Munns  
Executive Secretary

Dated at Des Moines, Iowa, this 1<sup>st</sup> day of November, 1999